

Legal Notices

Lawsuit Filed Against Wave Systems Corporation

The following statement appeared in the January 31, 2004 issue of Barron's, which was disseminated to the public on February 2, 2004. A class action lawsuit was filed in the United States District Court for the Southern District of New Jersey on behalf of all purchasers of the securities of Wave Systems Corp. ("Wave" or the "Company") between August 4, 2003 and December 18, 2003 (the "class period"). The complaint alleges that Wave and individual defendants Steven Sprague and Gerard T. Feeney, violated the federal securities laws (Sections 10(b) and 20(a) of the Securities Exchange Act of 1934) by issuing materially false and misleading public statements regarding certain software license agreements with International Business Machines Corp. ("IBM"). Specifically, during the class period Wave announced that it had entered into an agreement with IBM to embed Wave's software inside certain IBM notebook and desktop computers. This press release, among others during the class period, was materially false and misleading. If you are a member of the class described above, you may not later than April 2, 2004, move the Court to serve as lead plaintiff of the class. If you so choose, in order to serve as lead plaintiff, however, you must meet certain legal requirements. You may retain Zimmerman, Levi & Korsinsky, LLP, or other counsel of your choice to serve as your counsel in this action. For more information or to obtain a copy of the complaint, please contact: Edward Korsinsky, Esq., Zimmerman, Levi & Korsinsky, LLP, 39 Broadway, Suite 1440, NY, NY 10006, (212) 363-7500, or email to ek@zklaw.com.